The invalidity of the Resolution of Concern provided to Celtic by The Celtic Trust (TCT) Trustees.

How did we get here?

On 16 October TCT Members who proposed and supported the Note of Concern resolution adopted by TCT members at a general meeting on 10 August were told it was “garbage” by a Trustee and that the single page that encapsulated a lot of detailed evidence could not be put forward to the Celtic Company secretary for inclusion in the Notice of the 2021 AGM that is sent to ALL shareholders because it did not meet Celtic’s standard for submission of a Resolution.

The most important feature of the original Concern Resolution is the factual information that is the basis of why TCT members were concerned. This was contained in a Recital held separately and viewable via a hyperlink because of the detail it contained. The Recital and other relevant documents are attached as Appendices:

Appendix 1 The single page for shareholder’s signature supporting the original Resolution

Appendix 2 The Explanation for Signing the original Resolution

Appendix 3 The amended version of the Resolution that TCT submitted to Celtic

Appendix 4 The Board’s response to TCT Resolution above with Comments

Appendix 5 The Recital, the most important feature of the original Concern Resolution containing the factual information that gave TCT members cause for concern.

What is a Recital and why is it important? A recital paints a picture/tells a story providing detailed facts and evidence to explain and support the case being made. (Dictionary definition: an enumeration or listing of connected names, facts, or events). Given the serious nature of the accusations being made, it is important that these are backed up with facts and evidence.

It also allows detailed scrutiny to be carried out by TCT members, Celtic PLC, shareholders, the wider Celtic support, and the media who report on what takes place at Celtic AGMs.

That recital and any reference to it was removed from the resolution that TCT gathered signatures for on 18 and 19 October. These signatures were gathered under pressure and this pressure arose because of unpreparedness on the part of Trustees, who decided not to follow a timetable that was included with the draft resolution when first presented on TCT private members forum in late July.

Readers are invited to examine the Recital at Appendix 5 given the amount of pertinent detail contained. This was distilled into the third single page that members were asked to sign. It was the final part of the complete resolution that was adopted by TCT members who indicated they supported the resolution **on the basis of the information provided in the Recital.**

It was the same single page that had been adopted by TCT members in August, who indicated it was understandable to them and conveyed their wishes to Celtic. Those shareholders signing confirmed they had read it and only the word “*above*” in the phrase “the Celtic Trust have set out *above*” needed removed to avoid having to submit more than one page, so why a revision? It met the single page maximum requirement which Celtic apparently sought to allow inclusion in the Notice to the AGM. Although, contrary to what proposers were told to justify changes to the single page at Appendix 1, unless Celtic have changed past processes, then both that page and the supporting note at Appendix 2 could have been submitted as this has happened with member Resolutions at previous AGMs going back to 2013.

Another point to justify changing the original version was that what was submitted to Celtic for AGM Notice inclusion could not contain any links. The fact is it didn't. There was no mention of any link in the original page for signature only that shareholders were confirming they had read The Recital.

The argument put by TCT Trustee responsible for submitting the resolution to Celtic was that they didn't understand it and in particular they queried what a recital was. Yet the purpose and aim of the resolution were laid out in an introduction that can be read HERE when it was introduced on TCT Forum. It also clearly included the timeframe for collecting signatures and allowed for Trustee feedback. It was on this basis as well as what the Recital contained that TCT members voted to adopt the original resolution, including the Trustee responsible for submitting the revised version to Celtic.

Prior to taking the original resolution **with the recital** to the wider TCT membership, it was considered by TCT Trustees at their meeting on 4 August. One of the proposers of the resolution sought feedback from that meeting asking for "the Trustees views on the proposed resolution and its merits" and received an email from TCT Secretary on 5 August that stated, "All positive; happy to support taking it forward".

In the event there was no mention in the revised TCT version at Appendix 3 of the word Recital or that it was this document that caused TCT Members to be sufficiently concerned to support the original resolution.

The Recital is what persuaded TCT Members that there was much to be concerned about and had the original gone out then it would be more likely that shareholders at large would have been persuaded and voted for it. Conversely to justify voting against it Celtic would have to have defended their statements to shareholders at the 2019 AGM.

Even the version the TCT revised and presented to Celtic was selectively covered in the Notice of AGM, when the reference to the denial by CEO Peter Lawwell of sight of the Five Way Agreement at the 2019 AGM was omitted by Celtic.

The following statement that TCT Trustees made at the 26 October meeting and taken from an e mail to proposers shows that those making the change had hold of the wrong end of the stick.

"There seems to be some confusion about the purpose of a resolution and what the job is now of the Trustees. It's not to convince Celtic directly but to convince the shareholders to support the resolution. "

What were we trying to achieve?

The reason for the inclusion of the Recital in the original resolution was to require the Celtic board to be accountable for their actions. By excluding the Recital from the revised resolution and failing to even refer to its existence, TCT has effectively allowed Celtic to avoid proper scrutiny

Also, TCT's revised version removed any reference to "moral hazard" which is of topical interest given The Rangers' ever-increasing losses. The Rangers' 'win or go bust' debt policy creates a moral hazard for Scottish football in general and Celtic in particular. A moral hazard is a risk one party takes knowing it is protected by another party. The basic premise is the protected party (The Rangers) has the incentive to take risks because someone else (Celtic) will pay for the mistakes they make.

Its exclusion has the same effect as dropping the Recital, i.e. Celtic do not have to explain their position on moral hazard to their shareholders.

A sincere hope for the original resolution was that of restoring trust between The Board and support. That hope was based on Truth and Reconciliation principles but somehow The Truth contained in the Recital got lost in the revision.

The removal of any reference to moral hazard is an opportunity lost to bring about reconciliation between the support and The Board by admitting the truth of what took place in 2012, when the Five Way Agreement that has since prevented application of due judicial process by the SFA was accepted by Celtic and other clubs.

This Truth & Reconciliation element and importance of The Recital in bringing it about is the discussion that should have taken place online over the weekend of 16th October. Who knows, it may well have done had the email accounts of two of the TCT members involved not been blocked by Virgin Media because of multiple attempts to access them around the same time discussions were underway. A most unfortunate development, as continuing communication may have helped the Trustees to understand that the original wasn't in fact "garbage" and enabled them to better understand why the Recital of events was a necessary part of the Resolution and had been a cause of concern for CT members when they voted for it in August.

What is the problem?

Apart from the removal of the word "above", to keep to one page, what exactly was wrong with the original form that required a complete re write with some proposers unable to contribute because of e mail block?

There is also the question of TCT Trustees having the authority to change a resolution adopted by members. This is the justification given by the TCT in an e mail:

" *I am sure I don't need to remind you that a resolution adopted by members does not belong to the movers, but to the organisation, therefore by default the job of the Trustees to take it forward."*

Does taking it forward mean changing it when those taking it forward don't understand what it was the members understood and adopted and the basis on which they adopted it?

This is a crucial point because it challenges the presentation of TCT as a democratic institution. Any misgivings in the ultimate form should have been raised much earlier and any changes made should have been agreed by the members who adopted the resolution. This was not done and had preparation for the AGM begun earlier, as requested at the end of August, this could have taken place.

If Celtic had seen the original single page with the one change mentioned to make it complete, on what grounds could Celtic have rejected it? At the meeting where the original Resolution was adopted by TCT in August, members were told that the Recital had been checked by a lawyer specialising in Company Law (in fact a second similar verbal opinion from a QC arrived via an intermediary after that August meeting, agreeing with the first opinion based on the Recital). Both opinions did not explicitly state that AGM shareholders had been misled, but that it would be very costly and difficult to prove in a court of law that that the statements made constituted a deliberate attempt to mislead shareholders.

This leaves Celtic open to, at the very least, the accusation of serious incompetence at the 2019 AGM, a matter shareholders have every right to be concerned about.

Of concern from the foregoing is that a resolution adopted by TCT members and shareholders in August was rewritten two months later by Trustees, one of whom admitted to not understanding the original resolution which they had actually supported. This was despite not previously voicing any concerns about the content of the original Resolution, quite the opposite in fact. Also, had the request made at the end of August by the proposers of the resolution, to start gathering signatures (not send the results to Celtic) just gather signatures, been met by Trustees, then the last-minute scramble could have been avoided.

Were Celtic aware of the original resolution before the revised version was provided to them (as a result of the original being viewable to all in late September - causing comments on at least one social media forum) and did any discussion take place between Celtic and TCT from the time the original resolution was made public at the end of September?

In view of the foregoing the issue now is:

Do the changes made by TCT ostensibly render the version put to Celtic invalid? Celtic's further failure to include the reference to ex CEO Peter Lawwell's 2019 AGM denial in the version TCT put forward only further invalidates the Resolution and calls into question the very concept that accountability can be achieved by resolutions to an AGM that can be manipulated to suit a desired outcome.

Make up your own minds.